



Tapping into a \$45 Billion Market

**Multilateral
Development
Bank
Opportunities
For U.S.
Business**

U.S. DEPARTMENT OF COMMERCE/International Trade Administration

Your best business in the 90s could come from major contracts in developing markets financed by the multilateral development banks (MDBs). Annual lending from the MDBs totals approximately \$45 billion, creating excellent long-term export opportunities for equipment suppliers, contractors and consultants. MDBs mobilize an additional \$50 billion for projects in developing markets, further enhancing these opportunities.

What are the multilateral development banks?

MDBs are international lending institutions owned by member countries. The banks' objective is to promote economic and social progress in developing member nations by providing loans, technical assistance, capital investment, and help with economic development plans.

MDBs are active in supporting developing countries around the world. Since the United States Government is a shareholder in all five MDBs, U. S. firms and their subsidiaries are eligible to bid on procurement opportunities funded by each of the banks.

The five multilateral development banks are: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and the World Bank Group.

What kinds of projects do the banks fund?

MDBs support clearly defined projects designed to foster economic and social progress within their specified geographic regions. Projects usually involve development of one or more of the following sectors:

Agribusiness	Health
Education and Training	Water and Sewage
Energy	Environment
Investment	Housing
Industry	Tourism
Municipal Development	Power
Telecommunications	
Transportation	

While all five of the MDBs are increasing their private sector investment activities, assistance with privatization and financial restructuring are top priorities for the World Bank affiliate, the International Finance Corporation, and the European Bank for Reconstruction and Development.

How are bank funds raised for lending?

The primary sources of bank funds are capital subscriptions from member countries and borrowings on the international capital markets. Loans and grants are made directly to developing member governments, to public or private entities operating within these countries, and to international and regional enterprises concerned with economic development in the region.

How do companies find out about these opportunities?

U.S. companies seeking information and assistance on business opportunities available through MDB supported projects should contact the Office of Multilateral Development Bank Operations (MDBO). Information is facilitated through electronic media such as the Economic Bulletin Board, the National Trade Data Bank, and Internet. Companies interested in receiving early warning information regarding MDB projects can subscribe to these services. Each bank also publishes a monthly or quarterly operational summary of projects under consideration. These are available by subscription.

Do bank activities present opportunities for consultants?

Yes. Consultants may be hired by the borrowing country at any stage of a project. The MDBs themselves also hire consultants for sectoral studies, economic feasibility, preliminary engineering and design studies, government policy analysis, preparation of bid documents, and evaluation of bidders. Consulting firms may register with the World Bank's automated DACON (Data on Consultants) file. Firms may

also submit a hard copy DACON form to each of the four regional development banks. Individual consultants may submit their credentials for review to any of the banks at any time. The banks use these rosters to provide borrowers and their own staff with descriptions of available consultants; therefore, it is advisable to keep your registration current.

What are the best prospects for the 90s?

Projects in the environment, energy, social infrastructure, and financial management sector offer the best opportunities. Large companies frequently subcontract smaller suppliers for goods and services. Subscribing to the bank's project news bulletins or on-line information services will keep you advised of contract awards. Many of these projects involve the design, construction, rehabilitation, and maintenance of roads, bridges, ports, dams, irrigation systems, power plants, water treatment and health facilities, housing and schools. Some services sought by the executing agencies of borrowing countries, as well as the banks, are: design and feasibility studies, construction management, environmental assessment, monitoring of management activities, aerial photography and mapping, oil and gas exploration, financial services and auditing.

How are projects developed?

Projects are initiated by a) the government of the borrowing nation; b) the banks' themselves, through project identification missions; or c) cofinancing proposals submitted by other financing institutions. New proposals are continually added to each bank's list of "pipeline" projects, which contains descriptive information on each project, program, or study under consideration. The banks analyze projects to determine a) the borrower's capacity to finance and administer the project, b) its economic, technical and environmental feasibility, and c) its social and economic benefits to the recipient country.

Will my company compete with bidders from developing countries?

Yes. For large-scale public sector projects, the banks' procurement policies require open international competitive bidding among companies from member countries. For private sector projects, the banks may authorize competitive bidding from selected sources. In either case, the MDBs encourage competition and attention to cost-benefit considerations on the part of the borrower. Pricing, quality, service, and the way you present your bid can make the difference.

Must my company register with the banks in order to bid on projects?

No. While the names of consultants maintained on automated bank files are often made available, without specific endorsement, to borrowers, most contracts for goods and services are awarded by the agency of the borrowing nation. When you learn that procurement is about to occur, you can request the bid tender specifications and carefully examine the guidelines and provisions before preparing your bid. Questions should be directed to the borrower up front.

Where do I begin?

The Multilateral Development Bank Operations staff within the International Trade Administration of the U.S. Department of Commerce, offers convenient counseling and referral. We'll give you the information you need to get started—and more:

- Current projects worldwide. Information on approved projects and downstream financing plans.
- Expert guidance. What you need to know to pursue business at the MDBs.
- Advocacy. Assistance with pre-award support and procurement disputes.
- On-line information. A guide to electronic media providing up-to-date information relating to projects.

- Future opportunities. What's in the pipeline in terms of future project financing.

We draw upon a global network of commercial experts dedicated to finding international business opportunities for U.S. firms. In 71 U.S. cities and 134 locations abroad, our trade professionals work closely with the MDB offices, government agencies, multiplier organizations, and private business to secure the latest information on overseas contracts and export financing options. Their daily input helps us pinpoint your best prospects and guide you through the process.

Contact us first. We're ready to advise you and direct you to the resources you need to put your business in the running for tomorrow's projects:

*Multilateral Development Bank Operations
International Trade Administration
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Room H-1107
Washington, D.C. 20230
Fax: (202) 273-0927
Phone: (202) 482-3399*

Additionally, the Department of Commerce has assigned commercial liaison officers to each of the MDBs. These officers work closely with the U.S. Executive Directors of the MDBs to support the efforts of U.S. companies pursuing MDB contracts. The MDB liaison officers and their addresses:

Asian Development Bank

Mr. Cantwell Walsh, Senior Commercial Officer
Commercial Liaison to the Asian Development Bank
U.S. and Foreign Commercial Service
U.S. Embassy Manila
APO AP 96440
Fax: (632) 890-9713
Phone: (632) 890-9364
Internet address: Cwalsh@doc.gov

**European Bank For Reconstruction
and Development**

Mr. Dean Peterson, Senior Commercial Officer
Office of the U.S. Executive Director
One Exchange Square
London, England EC2A 2EH

Fax: (44) 171-338-6487
Phone: (44) 171-338-6569
Internet address: DPeter3@doc.gov

African Development Bank

Mr. Mark Herrling, Commercial Liaison
U.S. and Foreign Commercial Service
American Embassy Abidjan
5 Rue Jesse Owens
01 B.P. 1712
Abidjan 01, Cote D'Ivoire
Fax: (225) 22-24-37
Phone: (225) 21-46-16
Internet address: MHerrling@doc.gov

World Bank

Mr. Thomas Kelsey, Director
Commerce Liaison Office and
Ms. Janice Mazur, Commercial Liaison Officer
Office of the U.S. Executive Director
1818 H Street , N.W.
Washington, D.C. 20433
Fax: (202) 477-2967
Phone: (202) 458-0120; (202) 458-0118
Internet address: TKelsey1@doc.gov
JMazur@doc.gov

Inter-American Development Bank

Ms. Judith Henderson, Director
Commerce Liaison Office and
Ms. Michelle Miller, Commercial Liaison Officer
1300 New York Ave., N.W.,
Mail Stop E401
Washington, D.C. 20577
Fax: (202) 623-2039
Phone: (202) 623-3821/3822
Internet address: JHender2@doc.gov
MMille13@doc.gov

Is there a charge for this service?

No fee is charged for counseling and referral provided by the Multilateral Development Bank Operations staff. However, there are subscription fees for individual bank publications and on-line information services. Subscriptions to MDB publications can be obtained directly from each bank or MDBO.

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Embassy Manila

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European Bank For Reconstruction

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**Multilateral Development
Bank Counseling Center**

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International Trade Administration
U.S. and Foreign Commercial Service
Multilateral Development Bank Operations
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Fax: (202) 237-0927

Who else should I contact?

The U.S. Government has a wealth of resources that provide information and assistance to U.S. firms interested in supplying goods and services to overseas construction, engineering, manufacturing, and investment projects. Within the International Trade Administration, U.S. companies should contact the Trade Information Center (TIC). The TIC is the single comprehensive resource for information on export assistance programs government-wide. The TIC staff: 1) advise exporters on how to locate and use government programs, 2) guide businesses through the export process, 3) supply general market information, and 4) provide basic export counseling. Through the TIC staff, callers can access reports and statistics from the computerized National Trade Data Bank. The TIC staff can also direct businesses to state and local trade organizations that provide additional assistance.

**Businesses may contact the
TIC staff at tel. 1-800-USA-TRADE
(1-800-872-8723) or fax (202) 482-4473.**

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Multilateral development bank